GOVERNMENT OF INDIA
CHEMICALS AND FERTILIZERS
LOK SABHA

UNSTARRED QUESTION NO:4473
ANSWERED ON:17.12.2009
SETTING UP OF NEW FERTILIZER PLANTS
Hazari Shri Maheshwar ;Munda Shri Arjun

Will the Minister of CHEMICALS AND FERTILIZERS be pleased to state:

(a) whether the Government proposes to set up new units/plants of chemical fertilizers in the country including Jharkhand and Bihar during the Eleventh Five Year Plan;

(b) if so, the details thereof along with the time by which the said units /plants are likely to become operational, State-wise and location-wise;

(c) whether the Government proposes to setup any such plant with the foreign assistance in the country including Jharkhand;

(d) if so, the details thereof; and

(e) the steps being taken by the Government to increase the domestic production of fertilizers ?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS & FERTILIZERS (SHRI SRIKANT KUMAR JENA)

(a) to (d) The Government has decided to explore the feasibility of revival of the closed public sector fertilizer units of Hindustan Fertilizer Corporation Limited (HFCL) including Barauni unit in Bihar and Fertilizer Corporation of India Limited (FCIL) including Sindri Unit in Jharkhand, subject to assured availability of natural gas, to meet the emerging demand production gap of urea in the country. The Government has constituted an Empowered Committee of Secretaries (ECOS) with the mandate to evaluate all investment options for revival of the closed units of FCIL/HFCL and to make suitable recommendations for consideration of the Government. ECOS has already considered various possible investment options for revival of each of the closed units and have finalized its recommendations regarding the suitable financing option. The recommendations of ECOS are under consideration of the Government.

(e) The Government has announced a New Investment Policy for urea sector on 4th September, 2008. The policy is expected to attract investments in urea sector subject to availability of gas. The policy also aims at creation of additional production capacity through revamp, expansion and revival of existing urea units in the country and new Green fields projects in the country.

The Government has also announced on 6th March, 2009, policy for conversion of FO/LSHS urea units to Natural Gas, restart of existing urea units and resumption of urea production of RCF-Trombay to increase indigenous production.

The indigenous production of phosphatic fertilizers is largely dependant on imported raw material and intermediates, the Government has been encouraging fertilizer industry to actively pursue joint ventures abroad in order to secure future supplies of fertilizer inputs and finished fertilizers.